

## Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 00062 090225Z

66

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-05 CIAE-00 COME-00 DODE-00

      DOTE-00 INR-07 NSAE-00 RSC-01 FAA-00 L-02 /035 W

----- 100066

R 082232Z JAN 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 0000

UNCLAS OTTAWA 0062

E.O. 11652: N/A

TAGS: EAIR, CA

SUBJ: CIVAIR: AIR CANADA DEFICIT

REF: OTTAWA 3947, DEC 4, 1974

1. AIR CANADA PRESIDENT YVES PRATTE HAS ANNOUNCED, ON THE BASIS OF PRELIMINARY 1974 FIGURES, AN OPERATING DEFICIT OF APPROXIMATELY \$9 MILLION. ALTHOUGH THIS IS THE FIRST RED INK SINCE 1964, THE FIGURE CONTRASTS WITH EARLIER ANTICIPATIONS IT MIGHT BE AS HIGH AS \$15 MILLION. HIGH FUEL COSTS, UP 83 PERCENT OVER 1973, AS WELL AS GENERAL INFLATIONARY PRESSURES (I.E., WAGE LEVELS AND THE GENERAL COST OF DOING AIRLINE BUSINESS) WERE CITED AS PRIMARILY RESPONSIBLE FOR THE DEFICIT. PRATTE INDICATED HE WOULD NOT PREDICT FINANCIAL RESULTS FOR 1975, BUT HE FORECAST A MODEST GROWTH IN THE CARRIER'S NORTH AMERICAN SERVICES WITH LITTLE OR NO GROWTH ON ITS INTERNATIONAL ROUTES. HE ALSO PREDICTED FARE INCREASES IN 1975 BUT IT WAS NOT CLEAR WHETHER HE WAS REFERRING TO INTERNATIONAL OR DOMESTIC TRAFFIC.

2. COMMENT: IT IS NOT KNOWN AT THE MOMENT WHETHER GOC WILL HAVE TO DIRECTLY FINANCE THIS DEFICIT IN THE NEAR FUTURE. AIR CANADA HAS SOME RESERVES. IT HAS ALSO RECENTLY ENTERED A SALES-LEASEBACK ARRANGEMENT WITH RESPECT TO CERTAIN EQUIPMENT (SEE OTTAWA 4111, UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 00062 090225Z

DEC 18, 1974 AND MONTREAL'S A-205 OF DEC 23, 1974)

WHICH IS EXPECTED TO MAKE AVAILABLE SOME \$40 MILLION  
TO THE CARRIER. PORTER

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, BUSINESS LOSSES, AIRLINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975OTTAWA00062  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750008-0485  
**From:** OTTAWA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750169/aaaaciuy.tel  
**Line Count:** 63  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 OTTAWA 3947, 75 DEC 4, 75 1974  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 MAR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14 MAR 2003 by RicharJA>; APPROVED <29 DEC 2003 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR: AIR CANADA DEFICIT  
**TAGS:** EAIR, CA, AIR CANDA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006